

Q3 2017 Aide Memoire

A number of events in 2016 and 2017 have an impact on the year-on-year comparison for Q3 2017. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for Q3 2017 versus Q3 2016.

Factors impacting comparative figures

Western Europe

At the Q4 2016 conference call, when asked about the volume impact from terminated contracts, we said:

"We are happy to report that we will be back on better terms in Biedronka so that will help us for the volume development in 2017. Maybe not so much on the price/mix, but for sure on the volume development."

At the Q2 conference call we commented on the Q3 weather:

"...a poor weather in the beginning of Q3 this year, in particular in Northern Europe..."

...and further elaborated on **price/mix** at the Q1 2017 conference call:

"The flat price/mix was the result of a positive mix, thanks to our premiumization efforts, countered by continued challenging pricing environment and a negative country mix."

Eastern Europe

In the Q3 2016 announcement, we said:

"The consumer environment in the region continues to be challenging, but the beer markets benefitted from the warm summer in Q3."

At the Q2 2017 conference call we commented on the impact from PET downsizing on the **Russian market** development for 2017:

"Our best estimate of the impact on market volumes from the ban was and still is around minus 5%."

At the Q1 2017 conference call we commented on Eastern European **price/mix for the remainder of the year**:

"Please be aware that price/mix will be less pronounced in the remainder of the year as we start cycling last year's price increases and as we started the PET downsizing in the second half of last year."

Asia

At the Q2 2017 conference call, we commented on **India**:

“We expect India to remain volatile for the remainder of the year as a consequence of the implementation of the highway ban and GST.”

Other

At the Q1 2017 conference call, we made the following comment re. **disposals**:

“A few visible actions taken so far this year is the further streamlining and focusing of the Group by divesting Carlsberg Uzbekistan, our 23% holding in United Romanian Breweries, a 30% minority holding in the Russian malt producer, and the Nordic Getränke wholesale business in Germany.”

Outlook

In the Q2 2017 announcement, we commented:

“We are maintaining our financial expectations for 2017:

- *Mid-single-digit percentage organic growth in operating profit.*
- *Financial leverage reduction.*

Based on the spot rates at 14 August, we now expect a positive translation impact of around DKK 50m compared to our previous expectation of DKK 300m.

Other relevant assumptions are:

Financial expenses, excluding currency losses or gains and fair value adjustments, are now expected to be around DKK 1bn compared to previous expectations of DKK 1.0-1.1bn.

The effective tax rate is expected to be just below 30%.

Capital expenditures are expected to be approximately DKK 4bn.”

At the Q1 2017 conference call we further elaborated on the impact from the **disposal of Nordic Getränke**:

“Please note that the sale of Nordic Getränke will have an impact on net revenue of approximately minus DKK 1bn, but modest impact on operating profit.”

At the Q2 conference call we further elaborated on the **expected H2 performance**:

“As said earlier in the year, we saw a stronger year-on-year operating profit performance in first half than we expect in second half as we will have tougher comps in the second half of the year. In Eastern Europe because of a very strong Q3 last year, and in Western Europe, because of bad weather in Northern Europe so far in Q3 this year. In addition, there is a different phasing of costs this year compared to last year, and lastly, we are right now accelerating investments in SAIL’22 activities.”

Disclaimer

This Company Announcement contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's expectations or forecasts at the time. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of market value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.